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Economic and environmental questions: international cooperation in tax matters

Thailand:* revised draft resolution

Committee of Experts on International Cooperation in Tax Matters

The Economic and Social Council,

Recalling its resolutions 2004/69 of 11 November 2004 and 2014/12 of 13 June 2014,

Recalling also General Assembly resolutions 68/1 of 20 September 2013, 69/313 of 27 July 2015 and 70/1 of 25 September 2015,

Recognizing the call made in the Monterrey Consensus of the International Conference on Financing for Development for the strengthening of international tax cooperation through enhanced dialogue among national tax authorities and greater coordination of the work of the multilateral bodies and relevant regional organizations concerned, giving special attention to the needs of developing countries and countries with economies in transition,[1]

Recalling the request to the Economic and Social Council made in the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus[2] and the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development[3] to examine the strengthening of the institutional arrangements to promote international cooperation in tax matters, including the Committee of Experts on International Cooperation in Tax Matters,

* On behalf of States Members of the United Nations that are members of the Group of 77 and China.

[1] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex, para. 64.

[2] General Assembly resolution 63/239, annex, para. 16.

[3] General Assembly resolution 63/303, annex, para. 56 (c).

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Affirming paragraph 27 of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development,[4] which commits to scaling up international tax cooperation, and encouraging countries, in accordance with their national capacities and circumstances, to work together to strengthen transparency and adopt appropriate policies, including multinational enterprises reporting country-by-country to tax authorities where they operate, access to beneficial ownership information for competent authorities and progressively advancing towards automatic exchange of tax information among tax authorities as appropriate, with assistance to developing countries, especially the least developed countries, as needed,

Recalling its decision to hold, on an annual basis, a special meeting of the Council to consider international cooperation in tax matters, including, as appropriate, its contribution to mobilizing domestic financial resources for development and the institutional arrangements to promote such cooperation,

Recalling also paragraph 29 of the Addis Ababa Action Agenda, including the decision to increase the frequency of meetings of the Committee of Experts on International Cooperation in Tax Matters to two sessions per year, with a duration of four working days each, and to increase the engagement of the Committee with the Economic and Social Council through the special meeting to consider international cooperation on tax matters, with a view to enhancing intergovernmental consideration of tax issues,

Recognizing that, while each country is responsible for its tax system, it is important to support efforts in these areas by strengthening technical assistance and enhancing international cooperation and participation in addressing international tax matters, including in the area of double taxation,

Recognizing also the need for an inclusive, participatory and broad-based dialogue on international cooperation in tax matters, and stressing that efforts in international tax cooperation should be universal in approach and scope and should fully take into account the different needs and capacities of all countries, in particular least developed countries, landlocked developing countries, small island developing States and African countries,[5]

Noting the activities developing and launched within concerned multilateral bodies and relevant subregional and regional organizations, and recognizing ongoing efforts to promote collaboration between the United Nations and other international bodies dealing with cooperation in tax matters,

Welcoming the discussion in the Council on 22 April 2015 on international cooperation in tax matters[6] and its contribution to promoting the work of the Committee of Experts,

Taking note of the report of the High-level Panel on Illicit Financial Flows from Africa, and noting that the Second Committee and the Economic and Social Council held joint events at United Nations Headquarters on the theme "Illicit financial flows and development financing in Africa" on 23 October 2015 and

[4] General Assembly resolution 69/313, annex.
[5] Ibid., para. 28.
[6] See E/2015/SR.28 and 29.

on the theme "Domestic resource mobilization: where to go after Addis" on 11 November 2015,

Taking note also of the report of the Committee on its eleventh session,[7]

1. *Welcomes* the work of the Committee of Experts on International Cooperation in Tax Matters to implement the mandate given to it by the Economic and Social Council in its resolution 2004/69, welcomes the decision taken at the third International Conference on Financing for Development to work to further enhance the resources of the Committee in order to strengthen its effectiveness and operational capacity,[8] and encourages the Committee to scale up its efforts in this regard;

2. *Notes* the work of the Committee's nine subcommittees, on article 8 international transportation issues; article 9 (associated enterprises): transfer pricing; base erosion and profit shifting issues for developing countries; negotiation of tax treaties — practical manual; exchange of information; extractive industries taxation issues for developing countries; mutual agreement procedure — dispute avoidance and resolution; royalties; and tax treatment of services, as well as the advisory group on capacity development, and stresses the importance of inclusiveness and a participatory approach in their work;

3. *Acknowledges* the commitment to scaling up international tax cooperation, and in this regard urges enhanced dialogue among national tax authorities on issues related to international cooperation in tax matters;

4. *Decides* to give due consideration, including at its 2016 special meeting to consider international cooperation in tax matters, to issues relating to the strengthening of institutional arrangements to scale up such cooperation, taking into account the need for an inclusive, participatory and broad-based dialogue on international cooperation in tax matters, including on the issue of the conversion of the Committee into an intergovernmental subsidiary body of the Council;

5. *Emphasizes* that it is important for the Committee to enhance its collaboration with other international organizations active in the area of international tax cooperation, including the International Monetary Fund, the World Bank and the Organization for Economic Cooperation and Development, and with relevant regional and subregional bodies;

6. *Encourages* the President of the Economic and Social Council to issue invitations to representatives of national tax authorities to attend the annual special meeting of the Council to consider international cooperation in tax matters;

7. *Takes note* of the report of the Secretary-General on further strengthening the work of the Committee of Experts on International Cooperation in Tax Matters[9]

8. *Decides* that, in accordance with General Assembly resolution 68/1 and paragraph 29 of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development,[4] beginning in 2017, one annual session of the Committee will be held in Geneva and the other will be held in New York back-to-back with the special meeting of the Council to consider international

[7] *Official Records of the Economic and Social Council, 2015, Supplement No. 25* (E/2015/45).
[8] See General Assembly resolution 69/313, annex, para. 29.
[9] E/2015/51.

cooperation in tax matters, in order to increase the Committee's engagement with the Council, with a view to enhancing intergovernmental consideration of tax issues;

9. *Also decides* that the twelfth session of the Committee will be held in Geneva from 11 to 14 October 2016;

10. *Further decides* that the thirteenth session of the Committee will be held in New York from ___ to ___ December 2016, back-to-back with the special meeting of the Council to consider international cooperation in tax matters, which will be held on ___ December 2016, in order to increase the Committee's engagement with the Council, with a view to enhancing intergovernmental consideration of tax issues;

11. *Recognizes* the progress made by the Financing for Development Office of the Department of Economic and Social Affairs of the Secretariat in developing, within its mandate, a capacity development programme in international tax cooperation aimed at strengthening the capacity of the ministries of finance and the national tax authorities in developing countries to develop more effective and efficient tax systems, which support the desired levels of public and private investment, and to combat tax evasion, and requests the Office, in partnership with other stakeholders, as appropriate, to continue its work in this area and to further develop its activities, including relevant practical tools, within existing resources and mandates;

12. *Stresses* the need for appropriate funding for the subsidiary bodies of the Committee to enable those bodies to fulfil their mandates;

13. *Reiterates*, in this regard, its appeal to Member States, relevant organizations and other potential donors to contribute generously to the Trust Fund for International Cooperation in Tax Matters, established by the Secretary-General in order to supplement regular budgetary resources, to enable the Committee to fulfil its mandate, including supporting the increased participation of developing country experts in subcommittee meetings, and invites the Secretary-General to intensify efforts to that end.